

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3530-01
Bill No.: SB 766
Subject: Agriculture and Animals; Agriculture Dept.; Contracts and Contractors; Liability
Type: Original
Date: March 16, 2010

Bill Summary: Creates procedures for crop sampling by a patent holder of genetically modified seed.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Agriculture (AGR)** assume this proposal would impact the Feed & Seed Bureau requiring additional staff to promulgate rules, organize sampling procedure and analysis process. The bureau would also be responsible for collection of fee associated with the sampling.

266.125 1. (2) would require a person to receive written notifications.

266.125 4. (1) would require a person to carry out sampling activity through the department or outside agent.

266.125 4. (2) requires sample be submitted for analysis.

266.125 4. (3) requires results to be processed and sent to all parties

266.125 6. requires rules to be created to implement the new program

A program coordinator and two inspectors, along with start up and operating costs are figured for starting up and maintaining a new program.

Oversight assumes the Department of Agriculture could absorb the cost of these FTE within their current appropriation level. If multiple initiatives are validated which require similar endeavours at substantial costs, the Department of Agriculture could request funding through the appropriation process.

<u>FISCAL IMPACT - State Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

This act creates procedures that a patent holder of genetically-modified seed must follow before entering onto private farmland to take plant samples. Specifically, the patent holder must notify the farmer in writing of the suspected breach of contract or patent infringement; provide a copy of the notification to the director of the Department of Agriculture; obtain written permission from the farmer to enter the property; and inform the farmer of the required procedures described in the act.

The farmer must respond in writing to a request to take samples within 10 days of receipt of the request. The patent holder may petition a court for permission to enter the property and may also seek a protective order if the patent holder has reason to believe that a crop to be sampled may be intentionally damaged or destroyed. Once permission has been granted by either the farmer or a court, the patent holder may enter the property in order to take samples. The farmer or the patent holder may request to have the Department of Agriculture present at the sampling or actually conduct the sampling. The department may charge reasonable fees for any sampling activities it conducts, for which the patent holder is responsible for paying. The results from any sampling must be sent via registered letter to all parties involved within 30 days after the results are first reported.

A violation of the act by a patent holder is punishable by penalty of no less than \$50,000 per violation.

The act creates certain immunity from liability for farmers on whose property is found evidence of a patented genetically-modified plant when the farmer did not knowingly buy or acquire the plant, otherwise acted in good faith, and the presence of the plant is minimal.

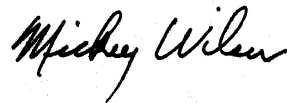
The act requires that any contract for the purchase of patented genetically-modified seed shall comply with the provisions of the act or else the contract shall be considered in violation of state law and shall be null and void.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

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SOURCES OF INFORMATION

Department of Agriculture

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA
Director
March 16, 2010